

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In Re:

Cost Less Distributing, Inc.

Debtor(s)

Case No: 24-31912

Chapter 11

Honorable Joel D. Applebaum

AFFIDAVIT OF MATTHEW OVADEK

Matthew Ovadek, after being duly sworn, states as follows:

1. I am a 49% shareholder and the Vice President of Cost Less Distributing, Inc.
2. At this court's hearing October 21, 2024, I described one payroll expense and an invoice that was paid during the period after filing based on what I recalled during the moment.
3. After the hearing I saw that we had also paid a second payroll due the Friday prior to hearing.
4. The total amount of payroll going directly to employees is \$8,052.48 per week. None of this goes to myself or other shareholder/principal Timothy Green. In addition to payments directly to employees we make payroll deposits to the United States Treasury of \$2,643.76 and the State of Michigan of \$2,400.89 with each payroll. These sums come to \$13,097.13 per payroll. There was also a commission paid to a salesman named Steve Dunnegan in the amount \$9,000.00 cleared our account after the Monday hearing but was initiated before the 21st. Two payrolls were funded being filing and the hearing with one payment being made the Friday before the hearing.

5. My further review indicates that Cost Less made the following payments to vendors and servicers providers during the period after filing and the court's hearing on October 21st:
- a. Avaya Cloud, on October 8th in the amount of \$292.09 for phones.
 - b. Rock City Logistics, on October 8th in the amount of 594.50 for trucking services.
 - c. Rock City Logistics, on October 8th in the amount of \$3,895.00 for trucking services.
 - d. Farner, Sales & Distributing, on October 10th in the amount of \$204.09 for sales commission.
 - e. Lois Pastori, on October 10th, in the amount of \$144.90. for advertising.
 - f. Laceup Solutions, Inc., on October 15th, in the amount of \$870 for computer system for sales people.
 - g. Rupp Pfalzgraf, October 15th, in the amount of \$186 for attorney fee.
 - h. Farner, Sales & Distributing, on October 15th in the amount of \$603.45 for sales commission.
 - i. Lois Pastori, on October 15th in the amount of \$126.90 for advertising.
 - j. Lennox International, on October 15th in the amount of \$5,276.26 for inventory.
 - k. ULine, on October 16th in the amount of \$1,962.58 for boxes to ship product.
 - l. Badger Maps, on October 17th in the amount of \$354 for routing system sales people.

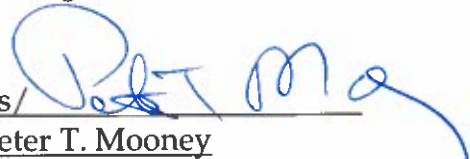
- m. Brett M Kratochvil, on October 10th in the amount of \$11.05 garnishment fee.
 - n. Consumers Energy, on October 14th in the amounts of \$359.14, \$106.54, \$71.20 and \$1,209.90 for utility payments.
 - o. Sherwin Williams, on October 14th in the amount of \$516.10 for warehouse supplies for displays.
 - p. Brett M Kratochvil, on October 15th in the amount of \$11.05 for garnishment fee.
 - q. Prudential Pest Manaegemt, on October 15th in the amount of \$70.00 for pest control.
6. Though we recognize that these payments should have made only after a hearing and ruling by this Court, but would ask the Court consider we are now in a better financial position then when we filed. At the time this affidavit is being executed the DIP bank account with ELGA Credit Union has a balance of \$134,970.21 and our Paypal account balance is \$16,620.40. At the time we filed our ELGA account had a negative balance of (\$758.81) and Paypal \$16,620.40. The accounts receivable are \$196,027.87, which is less than when we filed but we also have prepaid inventory of \$112,986.74 and purchase orders of \$369,848.00.
7. I believe that since filing Cost Less's overall financial position has improved and will continue to improve as we work toward confirmation.

The affiant states that the above affidavit is true and correct to best of his knowledge, information and belief.


/s/ Matthew Ovadek
Matthew Ovadek

Date: October 24, 2024

Sworn to and signed in my presence by Matthew Ovadek on the 24th day of October, 2023, who is personally known to me or has provided a valid Michigan Driver License or Michigan Identification.


/s/

Peter T. Mooney

Notary Public, Washtenaw County Michigan

My commission expires: 10-9-2027

Acting in Genesee County